

VZCZCXRO2597

PP RUEHAG RUEHAST RUEHBI RUEHCI RUEHDBU RUEHDF RUEHIK RUEHLH RUEHLN
RUEHLZ RUEHPW RUEHROV RUEHVK RUEHYG
DE RUEHAH #1167/01 3030704
ZNR UUUUU ZZH
P 300704Z OCT 07
FM AMEMBASSY ASHGABAT
TO RUEHC/SECSTATE WASHDC PRIORITY 9617
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE PRIORITY
RUCNCIS/CIS COLLECTIVE PRIORITY
RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY
RUEHAK/AMEMBASSY ANKARA PRIORITY 2918
RUEHBJ/AMEMBASSY BEIJING PRIORITY 0738
RUEHKO/AMEMBASSY TOKYO PRIORITY 0614
RUEHIT/AMCONSUL ISTANBUL PRIORITY 1191
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUCPDOG/DEPT OF COMMERCE WASHDC PRIORITY
RUEHVEN/USMISSION USOSCE PRIORITY 1850
RHMFIUU/CDR USCENTCOM MACDILL AFB FL PRIORITY
RUCNDT/USMISSION USUN NEW YORK PRIORITY 0614
RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RHEFDIA/DIA WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
RUEKJCS/JOINT STAFF WASHDC PRIORITY

UNCLAS SECTION 01 OF 02 ASHGABAT 001167

SIPDIS

SENSITIVE
SIPDIS

STATE FOR SCA/CEN, EUR/RUS, EEB

E.O. 12958: N/A

TAGS: [PGOV](#) [EINV](#) [EPET](#) [RS](#) [TX](#)

SUBJECT: TURKMENISTAN: RUSSIAN ENERGY COMPANIES
WINDOW-DRESS INDEPENDENCE DAY

REF: ASHGABAT 1164

11. (U) Sensitive but unclassified. Not for public Internet.

12. (SBU) SUMMARY: On October 25, Turkmenistani government media reported that a rich gas deposit that will produce 4 bcm per year had been tapped at South Yoloten. On October 26, the eve of Turkmenistan's Independence Day, President Berdimuhamedov met with mostly Russian oil and gas delegations that the government of Turkmenistan had reportedly asked to come to Ashgabat for the Independence Day events. Little new was reported from the meetings, seeming to confirm TNK-BP's comment to the Charge that the meetings were largely ceremonial (reftel). END SUMMARY.

13. (U) On October 26, President Berdimuhamedov hosted an unusually large number of official delegations interested in Turkmenistan's hydrocarbon sector. Valery Golubyev, Deputy Chairman of Gazprom, congratulated Berdimuhamedov on the natural gas strike at the South Yoloten field southeast of Mary, which press reports claim will produce 4 bcm per year. Golubyev and Berdimuhamedov also reportedly held "fresh discussions" on their 25-year gas delivery arrangement, the "direction of their strategic partnership," and preparation of the still-delayed intergovernmental agreements for the refurbishment and expansion of the Caspian littoral pipeline to Russia. "There will be no delay on the part of Gazprom", Golubyev was quoted saying, raising questions about other unmentioned delays that seem to be slowing the littoral pipeline's realization. Gazprom is also funding the construction of the new Russian-Turkmen school in Ashgabat. According to the press account, when Berdimuhamedov exhorted that the project move forward without delay, Golubyev tersely noted Gazprom had already handed over to the government of Turkmenistan the \$20 million promised for the school.

14. (U) Reports on other meetings included:

-- Yuri Shafranik, Soyuzneftegaz chief, came to discuss his company's interest in developing hydrocarbon deposits on the Caspian shelf and reinforced his company's technological superiority in the area of associated gas utilization. Soyuzneftegaz is providing financial backing for educational programs that take Turkmen students to Russian universities.

-- Igor Makarov, Chief of Itera, expressed interest in participating in the development of oil and gas deposits on the Caspian shelf. Itera has agreed to build a new carbamide plant in Turkmenbashi and a spa for Itera employees on the Caspian coast.

-- Robert Dudley, President and CEO of the Russian-British company TNK-BP-Management, discussed the company's interest in refurbishing the Seydi Refinery and other large, outdated production facilities. He also mentioned his company's role in sponsoring Turkmen students to Russian universities to develop indigenous oil and gas technocratic expertise.

-- Senior company representatives of the Belgian Company ENEX and its multinational partners came as well to discuss the potential construction of a silicon production plant. Already a player in Turkmenistan, ENEX is racing a fast-approaching deadline to build a new compressor station at the Dovletabad-3 gas field in time for Turkmenistan Flag Day February 18.

15. (SBU) COMMENT: Although the Russian delegations, especially, received high-profile media coverage, so far as we can determine little new ground was broken. The meetings seemed to be largely ceremonial, all part of the carefully

ASHGABAT 00001167 002 OF 002

stage-managed Independence Week events. END COMMENT.
HOAGLAND